

FISCAL NOTE

HB 3290 - SB 3266

March 19, 1998

SUMMARY OF BILL: Requires health insurance plans, health maintenance organizations, TennCare, and state and local government health plans which provide coverage of hospital expenses and surgical expenses to provide coverage for basic rehabilitative services, as medically necessary, including but not limited to, physical, occupational and speech therapy.

ESTIMATED FISCAL IMPACT:

**Other Fiscal Impact - Increase Expenditures -Exceeds \$1,000,000
Health Industry***

Assumes:

- the state employee health insurance plan currently provides such coverage.
- local government health care plans currently provide such coverage if medically necessary. TennCare MCOs are currently required to provide these services as medically necessary.
- some health insurance plans do not fully cover such rehabilitative services and the bill will increase cost to the industry. The amount of such increase cannot be determined but is estimated to exceed \$1,000,000.

*The impact on the health industry is included as required by Chapter 244 of the Public Acts of 1989.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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